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Talking Points

Welcome back to Talking Points for Wednesday, Oct. 3.

Chesto Means Business

Clicks to bricks: Coming soon to a mall near you: Wayfair?

Well, not exactly.

But the home-goods retailer's decision to open its first-ever pop-up mall shops represents a bit of a watershed moment for online commerce. Many smaller Internet

startups moved into the brick-and-mortar world in the past few years; Wayfair resisted the trend.

Now, the Boston-based company is ready to come out from behind the screen. Wayfair said today that it will open temporary stores in the Natick Mall and the Westfield Garden State Plaza in New Jersey for two months, starting Nov. 1. It's an experiment -- but one that could be a precursor for year-round stores to come.

No, you won't be able to come in and grab a bookshelf or a nightstand, or even a nice towel, at least not yet. These stores are just 400 square feet in size -- smaller than some of the rooms where Wayfair's items end up. Wayfair will show off some furniture, alongside a limited pick of housewares and tabletop items, plus fabric swatches to help customers design their own sofas and loveseats. Still, these shops will be staffed by a half-dozen people at any given time. They'll answer design and product questions, and work with customers to order online and ship to their homes directly from the warehouse. No cash registers. No inventory piling up. The only thing consumers can buy and carry out? Wayfair gift cards.

Wayfair vice president Bob Sherwin likens the pop-up stores to another old-school approach: direct-mail catalogs. Wayfair, he says, found its 2016 launch of the glossy publications to be a success, in terms of giving the company a new and effective way to engage with shoppers.

In many respects, Wayfair is late to this game. Warby Parker started out selling eyeglasses online, but now aims to open up to 100 stores by year's end. Lingerie retailer Adore Me is planning for hundreds of stores in the next five years, while Indochino already runs dozens of menswear showrooms. The list goes on: Bonobos, Untuckit, Glossier, Casper, to name a few.

Then there's Amazon. (There's always Amazon.) Amazon's $13.7 billion Whole Foods acquisition underscores the importance the online giant places on physical storefronts. And it is just getting started. More bookstores and convenience stores are on their way, plus gift shops hawking well-reviewed items from the website.

As Wayfair develops a new kind of marketing muscle, some big questions remain. Can it use in-person encounters to help build a more loyal following? How well will its penchant for data-crunching translate in the real world?

For a company that received $5.7 billion in revenue in the 12-month period that ended June 30, this represents a small first step. But it's an important one. Wayfair execs hope to learn from it as they contemplate a bolder brick-and-mortar strategy for the future.

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Executive Summary

Costly Question: It's a huge difference. The Massachusetts Nurses Association says the cost of its ballot initiative setting hospital staffing levels would cost hospitals a max of $47 million a year. Hospitals put the amount at $1.3 billion in year one (and $900 million a year thereafter).

Today, we got the first independent assessment, and it backs up the hospitals. The Health Policy Commission, a state watchdog agency, said Question 1 could add $676 million to $949 million a year to hospital costs. The agency said hospitals would need to hire 2,286 to 3,101 full-time nurses to comply with the measure.

> The union reacted as you'd expect: "This guess on costs by the HPC is irresponsible and inconsistent and resembles nothing that the HPC has ever done before," said **Julie Pinkham**, executive director of the nurses union.

A WBUR voter poll yielded a tie at 44 percent yes, 44 percent no. An earlier Globe poll found 51.8 percent in favor, 33 percent against. (Boston Globe)

Hotel strike: It's a first for the Boston hotel industry in recent memory: a major union walkout. Some 1,500 workers represented by Unite Here Local 26 -- from housekeepers to bartenders to doormen -- went on strike against seven Marriott hotels in Boston Wednesday morning.

> The hotels hit: Aloft Boston Seaport District, Element Boston Seaport District, Ritz-Carlton Boston, Sheraton Boston, W Hotel Boston, Westin Boston Waterfront, and Westin Copley Place.

Marriott said the hotels will remain open during the strike but did not detail what, if any, services would be limited or whether it would bring in replacement workers.

Unite Here -- which is also threatening walkouts against Marriott in other cities -- is pushing for more protections as the industry undergoes major changes from technology such as self-check-in kiosks and robot room service. The union is also calling on hotels to protect worker hours, provide more secure schedules, and improve sexual harassment protections and pregnancy accommodations.

"Marriott's current economic proposal matches the economic terms in the parties' last contract, which included the largest increases in the parties' bargaining history," a Marriott spokesman said in an e-mail. "We have not proposed any changes to our associates' health, welfare or retirement benefits." (Boston Globe)

Charlton pot fight: Nathan Benjamin Jr. wants to sell his Charlton farm to a company that will turn it into a giant marijuana grow facility. Neighbors want the town to just say no.

> "This has been one of the most nasty processes I've ever seen, and this is what I do for a living," said **Jonathan Silverstein**, a veteran municipal attorney at the firm KP Law who represents Charlton in marijuana-related matters.

Some in town say they aren't anti-pot; they just think the project is all wrong for the property.

The eager buyer, Valley Green Grow, headed by **Dr. Jeff Goldstein**, is the same company that was denied permission for a similar operation in North Andover earlier this year. (Boston Globe)

Make way for Google: A heavyweight developer is pitching Cambridge officials on a plan to build an 18-story tower on the site where the MIT Coop now stands. Why? To give Google more room to expand. Boston Properties would replace the four-story MIT Coop building on Main Street with the 390,000-square-foot project. That new building would link to Google offices on Main Street. The Coop would move to another location until the tower is completed. (Boston Globe)

Love it or hate it: The design of Boston University's new data science center on Commonwealth Avenue is bound to get people talking. Renderings show

a massive building -- what would be the tallest on BU's campus -- that looks from the street like a stack of books piled up from a podium. Or maybe one of those wooden block towers you build in the game Jenga.

> "They wanted something — they used the word 'iconic,' " Marianne McKenna, a founding partner at KPMB Architects, which designed the building, told BU Today.

On BU's website, some commenters were sharply critical. "God, it's so ugly," wrote one. "An affront to the eyes," said another. But others praised the bold design. "A symbol that we have arrived," one said. "People will learn to like it," wrote another.

Whatever your opinion, at least BU isn't trying to build another boring glass box like we see all over town. (Boston Globe)

Bogus science: That's how many oenophiles and beer lovers might react to a new study on the health benefits of drinking alcohol. The conclusion: Looking at data from more than 400,000 people, researchers found that imbibing one to two drinks four or more times per week increases the risk of premature death by 20 percent. That amount of light drinking is considered healthy under current guidelines.

> "Daily drinking, even at low levels, is detrimental to one's health," said the University of Washington in St. Louis study, which was published Wednesday online in the journal Alcoholism: Clinical & Experimental Research. A study published earlier this year in the journal The Lancet concluded that no amount of drinking is safe.

We're wondering where this is all headed. The return of the temperance union? (Boston Globe)

What happened elsewhere:

- Forecast: holiday retail sales up 4%+ (Reuters)
- Trade limits of 'America First' (Wall Street Journal)
- Biz school applications drop (CNBC)
- 007 carmaker struggles with IPO (New York Times)
- Bond rates climb on upbeat news (MarketWatch)
- Honda buys into GM driverless cars (Axios)
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Curation by Larry Edelman.

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